

29.2.3 Transactions with post employment benefit plans

The Bank has two post employment benefit plans, a provident fund which is of the nature of a defined contribution scheme and a funded gratuity scheme which is of the nature of a defined benefit plan as described in Note 4.13 Employee benefits. The Bank contributes to the provident fund in accordance with the requirements of the Trust Deed of the fund while its contributions to the gratuity scheme are determined by a professional actuary. As at 31 December 2008, the Bank had no contribution payable to either of these two funds.

The responsibility for fund management and administration of these plans resides with the Trustees of these schemes. The Trustees are selected from among employees of the Bank. The Bank does not charge these schemes any fees for fund management or administrative purposes.

As at 31 December 2008, the provident fund had a balance of BDT 26,078,797 (2007: BDT 180,721,484) and the gratuity fund had a balance of BDT 93,732,645 (2007: BDT 157,341,841) deposited with the Bank. The Bank pays interest at the rate of 6.5% on these deposits. Interest expense incurred by the Bank on deposit maintained with it in 2008 by the provident fund amounted to BDT 5,209,070 (2007: BDT 7,366,029) and on deposit maintained with it in 2008 by the gratuity fund amounted to BDT 4,182,080 (2007: BDT 11,567,558).

29.3 Provision for diminution in the value of investments

Diminution in value of investments in government securities during 2008 has been recognised in equity. There was no diminution in the value of other investments. As a result, no provision for diminution in the value of investments has been maintained.

29.4 Audit committee

SCB Bangladesh does not have any "Audit Committee" at a country level as it is a branch, but there is a Country Operational Risk Guideline Forum where all risk issues are discussed, action points set to mitigate risks identified and documented.

29.5 Post balance sheet events

There were no material events that occurred after the Balance Sheet date, which could affect the values stated in the financial statements or warrant disclosure.

29.6 The figures appearing in these financial statements have been rounded off to the nearest Taka.

29.7 Last year's figures have been rearranged, wherever necessary, to conform to current year's presentation.

29.8 During the year ended 31 December 2008, all permanent employees of the bank received salaries in excess of BDT 36,000 per annum.

29.9 The assets and liabilities (except for the items mentioned in Annexure - B) as of 31 December 2008 in foreign currencies have been converted into Taka at the following rates:

| | 2008 | 2007 |
|--------------------------------|----------|----------|
| | Taka | Taka |
| Great Britain Pound (GBP) 1 = | 100.0684 | 136.7314 |
| EURO (EUR) 1 = | 97.8733 | 100.9223 |
| United States Dollar (USD) 1 = | 68.9200 | 68.5800 |
| Canadian Dollar (CAD) 1 = | 56.0348 | 69.9189 |
| Australian Dollar (AUD) 1 = | 47.7512 | 59.9904 |
| Singapore Dollar (SGD) 1 = | 47.7699 | 47.4290 |
| Saudi Arabian Riyal (SAR) 1 = | 18.3640 | 18.2900 |
| Malaysian Ringgit (MYR) 1 = | 19.8046 | 20.5699 |
| Danish Krone (DKK) 1 = | 13.1354 | 13.5326 |
| Norwegian Krone (NOK) 1 = | 9.8991 | 12.6720 |
| Hong Kong Dollar (HKD) 1 = | 8.8929 | 8.7860 |
| Swedish Krona (SEK) 1 = | 8.9522 | 10.7064 |
| Japanese Yen (JPY) 1 = | 0.7644 | 0.6095 |

Osman Morad
Chief Executive Officer, Bangladesh
Dhaka, 30 March 2009

Imtiaz Ibne Sattar
Chief Financial Officer

Schedule of Fixed Assets

Standard Chartered Bank
Bangladesh Branches

Annexure - A

Schedule of Fixed Assets
as at 31 December 2008

| Particulars | Cost | | | Depreciation | | | | Net book value as at 31 December 2008 |
|-------------------------------|------------------------------|---------------------------|---|--------------------------------|------------------------------|---------------------|---------------------------|---------------------------------------|
| | Balance as at 1 January 2008 | Additions during the year | Disposals / adjustments during the year | Balance as at 31 December 2008 | Balance as at 1 January 2008 | Charge for the year | On disposals/ adjustments | |
| | Taka | Taka | Taka | Taka | Taka | Taka | Taka | Taka |
| Own assets: | | | | | | | | |
| Freehold premises | 170,665,000 | - | - | 170,665,000 | 79,977 | 16,000 | - | 95,977 |
| Fixed equipment | 828,249,754 | 15,631,398 | - | 843,881,152 | 270,428,447 | 79,583,073 | - | 350,011,520 |
| Computer and office equipment | 542,983,239 | 92,307,016 | - | 635,290,255 | 275,550,337 | 126,384,510 | - | 401,934,847 |
| Furniture and fittings | 188,626,177 | 752,500 | - | 189,378,677 | 52,344,327 | 21,462,141 | - | 73,806,468 |
| | 1,730,524,170 | 108,690,914 | - | 1,839,215,084 | 598,403,088 | 227,445,724 | - | 825,848,812 |
| Leased assets: | | | | | | | | |
| Capitalised leased equipment | 431,211,781 | 169,243,926 | (58,832,513) | 541,623,194 | 106,996,663 | 100,698,766 | (34,641,727) | 173,053,702 |
| | 2,161,735,951 | 277,934,840 | (58,832,513) | 2,380,838,278 | 705,399,751 | 328,144,490 | (34,641,727) | 998,902,514 |
| 2007 | | | | | | | | |
| Own assets | 882,978,115 | 847,546,055 | - | 1,730,524,170 | 443,909,228 | 154,493,860 | - | 598,403,088 |
| Leased assets | 250,830,308 | 312,993,268 | (132,611,795) | 431,211,781 | 118,905,080 | 72,969,309 | (84,877,726) | 106,996,663 |
| | 1,133,808,423 | 1,160,539,323 | (132,611,795) | 2,161,735,951 | 562,814,308 | 227,463,169 | (84,877,726) | 705,399,751 |

Balance with other banks and financial institutions

Standard Chartered Bank
Bangladesh Branches

Annexure - B

Balance with other banks and financial institutions (outside Bangladesh)
as at 31 December 2008

| Particulars | foreign Currency name | 2008 | | 2007 | |
|---|-----------------------|----------------------------|---------------------------|----------------------------|---------------------------|
| | | Amount in foreign currency | Equivalent local currency | Amount in foreign currency | Equivalent local currency |
| | | Taka | Taka | Taka | Taka |
| Royal Bank of Canada, Toronto | CAD | 12,826 | 56,0918 | 20,555 | 69,9223 |
| Sevenska Handels, Stockholm | SEK | 36,768 | 8,9417 | 28,148 | 10,7130 |
| Nordea Bank Denmark A/S, Copenhagen | DKK | 6,710 | 13,1304 | 3,837 | 13,5367 |
| ANZ Banking Group, Melbourne | AUD | - | - | - | - |
| National Australia Bank Ltd., Melbourne | AUD | - | - | 49,979 | 59,9669 |
| American Express Bank Ltd., New York | USD | - | - | - | - |
| Union Bank of Switzerland | CHF | - | - | 8,180 | 60,8292 |
| Credit Suisse Zurich | CHF | 12,322 | 65,5320 | 807,470 | - |
| Nordea Bank Norge, Oslo | NOK | 5,593 | 9,8817 | 55,267 | 12,6782 |
| | | | 1,999,064 | | 5,456,675 |

Balance with other banks and financial institutions (outside Bangladesh) in foreign currencies have been converted into local currency (Taka) at prevailing rates collected from the Reuters.

Statement of liquidity

Standard Chartered Bank
Bangladesh Branches

Annexure - C

Statement of liquidity
(maturity analysis of assets and liabilities)
as at 31 December 2008

| Particulars | Maturity upto 1 month | Maturity within 1 to 3 months | Maturity within 3 to 12 months | Maturity within 1 to 5 years | Maturity over 5 years | Total |
|--|-----------------------|-------------------------------|--------------------------------|------------------------------|-----------------------|-----------------|
| | Taka | Taka | Taka | Taka | Taka | |
| Assets | | | | | | |
| Cash balance | 9,873,778,931 | - | - | - | 1,531,608,545 | 11,405,387,476 |
| Balance with other banks and financial institutions | 204,356,948 | 610,000,000 | - | - | - | 814,356,948 |
| Money at call and short notice | 100,000,000 | - | - | - | - | 100,000,000 |
| Investment in treasury bills and others | 7,862,145,289 | 984,520,320 | 1,464,876,988 | 6,078,054,784 | 20,613,500 | 16,410,210,881 |
| Loans and advances to customers | 11,888,427,367 | 15,745,458,641 | 17,236,052,864 | 20,268,023,030 | 2,230,136,665 | 67,368,098,567 |
| Fixed assets | - | - | - | - | 1,381,935,764 | 1,381,935,764 |
| Other assets | 6,645,083,963 | 85,528,665 | 384,878,993 | 715,639,135 | - | 7,831,130,756 |
| Non-banking assets | - | - | - | - | - | - |
| Total assets | 36,573,792,498 | 17,425,507,626 | 19,085,808,845 | 27,061,716,949 | 5,164,294,474 | 105,311,120,392 |
| Liabilities | | | | | | |
| Borrowings from other banks and financial institutions | - | - | - | - | - | - |
| Deposits and other accounts | 41,942,967,204 | 9,233,006,904 | 21,618,287,153 | 9,970,581,979 | - | 82,764,843,240 |
| Other liabilities (including capital/shareholders' equity) | 2,527,749,150 | 585,778,380 | 4,685,498,788 | 12,910,645,128 | 1,836,605,706 | 22,546,277,152 |
| Total liabilities | 44,470,716,354 | 9,818,785,284 | 26,303,785,941 | 22,881,227,107 | 1,836,605,706 | 105,311,120,392 |
| Net liquidity difference | (7,896,923,856) | 7,606,722,342 | (7,217,977,096) | 4,180,489,842 | 3,327,688,768 | - |

Financial Highlights

Standard Chartered Bank
Bangladesh Branches

Annexure - D

Financial Highlights
as at 31 December 2008

| Sl. | Particulars | 2008 | 2007 |
|-----|---|----------------------|----------------|
| 1 | Capital - Fund deposited with Bangladesh Bank | Taka 1,836,608,545 | 1,829,052,728 |
| 2 | Total capital including retained earnings | Taka 13,641,068,735 | 11,716,229,382 |
| 3 | Surplus/(shortage) of capital | Taka 6,201,478,931 | 5,322,628,194 |
| 4 | Total assets | Taka 105,311,120,392 | 93,017,920,427 |
| 5 | Total deposits | Taka 82,764,843,240 | 73,341,210,867 |
| 6 | Total loans and advances | Taka 67,368,098,567 | 57,633,308,749 |
| 7 | Total contingent liabilities | Taka 30,396,111,095 | 29,129,678,242 |
| 8 | Advances/deposits ratio | % 81.40% | 78.58% |
| 9 | Classified advances as percentage of total advances | % 2.73% | 2.46% |
| 10 | Profit after tax and provisions | Taka 3,879,283,593 | 3,927,675,063 |
| 11 | Amount of loans classified during the year | Taka 613,330,198 | 482,493,025 |
| 12 | Amount of provision against classified loans | Taka 1,142,895,760 | 980,251,046 |
| 13 | Provision surplus/(shortage) | Taka 218,137,729 | 385,381,872 |
| 14 | Interest expenses | Taka 3,099,396,035 | 2,305,835,368 |
| 15 | Interest bearing assets | Taka 86,304,393,795 | 75,080,542,463 |
| 16 | Non-interest bearing assets | Taka 19,006,726,597 | 17,937,377,964 |
| 17 | Return on investment (ROI) | % 31.94% | 35.21% |
| 18 | Return on assets (ROA) | % 3.68% | 4.22% |
| 19 | Income from investment | Taka 1,019,691,855 | 1,337,906,135 |

Islamic Banking Operations

Standard Chartered Bank
Bangladesh Branches

Annexure - E

Islamic Banking Operations
Balance Sheet as at 31 December 2008

| | 2008 | 2007 |
|--|---------------|-------------|
| | Taka | Taka |
| Assets | | |
| Cash in hand | 2,782,627 | 1,760,631 |
| Advances | | |
| - Islamic auto finance | 601,073,680 | 494,122,725 |
| - Islamic personal finance | 220,175,437 | 333,306,158 |
| - Islamic credit cards | 330,025,171 | 96,954,212 |
| | 1,151,274,288 | 924,383,095 |
| Fixed assets | 2,570,047 | 3,544,390 |
| Other assets | 3,735,409 | 801,808 |
| | 1,160,362,371 | 930,489,924 |
| Liabilities | | |
| Deposits | | |
| - Islamic current account | 42,244,774 | 39,211,042 |
| - Islamic savings account | 80,045,550 | 30,938,772 |
| - Islamic term deposit | 178,038,425 | 25,977,304 |
| | 300,328,749 | 96,127,118 |
| Other liabilities (mainly inter branch balances) | 665,375,439 | 678,987,111 |
| Interest in suspense | 3,298,759 | 1,639,809 |
| Specific provision | 21,221,024 | 15,963,002 |
| Profit and loss account | 170,138,400 | 137,772,884 |
| | 1,160,362,371 | 930,489,924 |

Profit and loss account for the year ended 31 December 2008

| | 2008 | 2007 |
|---------------------------------------|-------------|-------------|
| | Taka | Taka |
| Income | | |
| Income from investment | 135,350,131 | 142,170,293 |
| Profit paid on deposits | 2,925,262 | 309,936 |
| Commission and exchange gain | 56,368,315 | 13,015,887 |
| | 188,793,184 | 154,876,244 |
| Expenses | | |
| Salaries and allowances | 4,191,077 | 2,862,731 |
| Repairs, maintenance and depreciation | 1,947,880 | 1,785,757 |
| Rent and insurance | 3,446,401 | 425,741 |
| Stationery and printing | 1,022,744 | 1,478,656 |
| Travelling costs | 159,813 | 53,450 |
| Communication - T&T | 618,131 | 139,623 |
| Support service - Salary | 1,192 | 37,141 |
| Other costs | 1,906,747 | 313,597 |
| Total costs | 13,293,985 | 7,096,696 |
| Working profit | 175,499,199 | 147,779,548 |
| Specific provision charge | 10,538,655 | 11,719,302 |
| Specific provision release | (5,177,856) | (1,712,638) |
| Net debt charge | 5,360,799 | 10,006,664 |
| Net profit for the year | 170,138,400 | 137,772,884 |